

Consumer and Civil Rights Groups Send Letters to FDIC, OCC, and Fed Urging them to Prevent Bank Payday Loans

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Letters come after news that regulators pursuing joint small-dollar policy; Growing concern that several Administration appointees may be giving green light for predatory loans

WASHINGTON, D.C. - Today, the National Consumer Law Center (NCLC) joined a coalition of national civil rights and consumer groups in writing to top banking regulators on the importance of preventing banks from once again issuing payday loans that trap people in a cycle of debt. The groups pointed to a recent letter from more than 400 organizations to the Consumer Financial Protection Bureau (CFPB), which “prominently stressed the dangers of bank-issued payday loans in addition to those of non-bank payday lenders.”

These new letters were sent to the Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the Federal Reserve (Fed) by Americans for Financial Reform, the Center for Responsible Lending, Consumer Federation of America, The Leadership Conference on Civil and Human Rights, the NAACP, and the National Consumer Law Center (on behalf of its low-income clients).

The letters urged the regulators to “listen to the voices of Americans across the country who have spoken out so strongly in opposition to high-cost, balloon payment loans.”

The letters also pointed out: “When bank payday loans were on the market, two-thirds of fees came from people who on average borrowed 15 or more times a year, many of whom took out loans 10 or more months a year.”

A link to letter to the FDIC is [here](#).

A link to letter to the OCC is [here](#).

A link to letter to the Fed is [here](#).

The letters echo recent concerns over the National Credit Union Administration’s proposal to loosen standards in the Payday Alternative Loan (PAL) program.